



U.S. House of Representatives Committee on the Judiciary

F. James Sensenbrenner, Jr., Chairman

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News Advisory

For immediate release
March 10, 2006

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GAO Finds Immigration Fraud a Serious Problem, With Potential National Security Risks

WASHINGTON, D.C. - House Judiciary Immigration, Border Security, and Claims Subcommittee Chairman John N. Hostettler (R-Ind.) today announced the release of a Government Accountability Office (GAO) report <http://judiciary.house.gov/media/pdfs/gaoimmbenefits31006.pdf> finding that immigration benefits fraud is a serious problem with potential national security risks. Each year about 5,200 immigration benefit applicants are identified as potential national security risks, because their personal information matches information contained in U.S. Customs and Border Protection's Interagency Border Inspection System, a database of immigration law violators and people of national security interest.

According to federal prosecutors, immigration benefit fraud may involve other criminal activity, such as income tax evasion, money laundering, production of fraudulent documents, and conspiracy. Organized crime groups have used sophisticated immigration fraud schemes, such as creating shell companies, to bring in aliens ostensibly as employees of these companies. A number of individuals linked to a hostile foreign power's intelligence service were found to have been employed as temporary alien workers on military research.

GAO noted that DHS does not currently have a clear and comprehensive strategy for imposing sanctions or evaluating their effectiveness and is not actively enforcing the administrative penalties provided for by federal law. Although for fiscal year 2005, as of June, the U.S. Citizenship and Immigration Services (USCIS) denied about 13,000 applications, USCIS data indicates that relatively few of these are criminally prosecuted.

Chairman Hostettler said, "DHS has had nearly three years to address the rampant fraud among the lawyers and immigration case facilitators, and has done little or nothing in terms of real

prosecutions of the violators who are getting rich exploiting the lack of scrutiny of these cases. Congress has provided for administrative penalties for immigration fraud that would potentially generate millions in dollars for more enforcement of the immigration laws, but DHS has sat on its hands and claims administrative sanctions are not cost effective. How would they know, since they've never taken the basic steps to put them in place? Last year, the REAL ID Act gave Secretary Chertoff the authority to impose an administrative fine of up to \$10,000 per violation on employers, but nothing has resulted because no action has been taken to use the authority. Until we convince DHS to get as serious about immigration fraud as the IRS is about tax fraud, it does little good to debate employer sanctions."

Inadequate fraud prevention

- ❖ The report states that USCIS has still not implemented recommendations made to its predecessor, the Immigration and Naturalization Service by GAO back in 2002. At that time, GAO reported that immigration benefit fraud was pervasive and significant and the approach to controlling it was fragmented.
- ❖ Crooked lawyers are getting rich from immigration fraud, as the report gives the example of a prominent immigration attorney in the Washington D.C. area who submitted as many as 2,700 fraudulent employment based immigration applications and made as much as \$21.6 million for his efforts.
- ❖ The report gave examples of recent marriage fraud cases: 44 individuals were indicted in November 2005 for their alleged role in an elaborate scheme to obtain fraudulent immigrant visas for hundreds of Chinese and Vietnamese nationals... which may have been ongoing for 10 years. In another investigation involving 2,800 fraudulent marriage and fiancé applications, a U.S. citizen submitted multiple applications with 11 different spouses.
- ❖ GAO cited a Department of Labor Inspector General audit of labor certification applications filed with the Department: "of the approximate 214,000 applications filed from January 1, 2001, through April 30, 2001, and not subsequently cancelled or withdrawn, 54 percent (about 130,000) contained false-possibly fraudulent-information."
- ❖ In fiscal year 2005, USCIS denied just over 20,000 applications because USCIS staff detected fraudulent application information or supporting evidence during the course of adjudicating the benefit request. Three application categories accounted for more than three-quarters of the fraud denials: temporary work authorization (36 percent), application for permanent residency (30 percent), and application for a spouse to immigrate (14 percent).

Other GAO Findings

- GAO's report details how immigration benefit fraud is accomplished by submitting fraudulent documents, can be facilitated by white collar and other criminals, and has the potential to result in large profits.
- Fraudulent documents submitted included, but were not limited to, marriage and birth certificates, financial statements, business plans, organizational charts, fictitious employee resumes and college transcripts.

- Individuals who pose a threat to national security and public safety enter the United States by fraudulently obtaining immigration benefits. GAO cited a study which found that of the 94 terrorists known to operate in the United States between the early 1990s and 2004, including the September 11th hijackers, 59 or two-thirds committed immigration fraud.
- Those facilitating immigration benefit fraud reap large profits from aliens willing to pay thousands of dollars to fraudulently obtain an immigration benefit.
- In 2005, USCIS's new fraud detection office conducted the first two in a series of planned fraud assessments-reviews of applications for religious worker and replacement permanent resident card benefits. The completed religious worker assessment estimated that 33 percent of all religious worker applications were fraudulent.
- USCIS's policy of issuing temporary work authorization within 90 days to those applicants waiting for their application for permanent residency to be decided, can be exploited by aliens filing fraudulent applications. These aliens can then use the temporary work authorization to obtain other official documents, such as drivers' licenses.
- Based on an estimate from the DHS Office of Immigration Statistics that about 85 percent of applicants who apply for permanent residency also apply for temporary work authorization, the USCIS Ombudsman contends that many aliens who filed a fraudulent claim for permanent residency may have received temporary work authorization.
- USCIS has established the Office of Fraud Detection and National Security as its focal point for dealing with immigration benefit fraud, outlined a strategy for detecting immigration benefit fraud, and is undertaking a series of risk assessments to identify the extent and nature of fraud for certain immigration benefits; however, USCIS has not yet implemented internal control standards recommended by GAO and fraud control best practices.

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